

The Honorable Karen A. Overstreet  
Chapter 11  
Hearing Date: December 18, 2009  
Hearing Time: 9:30 a.m.  
Hearing Location: 700 Stewart St, 7th Floor  
Seattle, WA  
Response Date: At the Hearing

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON AT SEATTLE**

In re  
THE CASCADIA PROJECT LLC  
EIN: 20-4188863  
  
Debtor

Case No. 09-20780-KAO

SUPPLEMENTAL DECLARATION OF  
JOHN LADENBURG

I, John Ladenburg, hereby declare as follows:

16                   1. I am the Chief Operating Officer for The Cascadia Project LLC, debtor  
17 and debtor in possession herein (“Debtor” or "Cascadia"). I have personal knowledge of the  
18 facts set forth below and I am competent to testify thereto. I make this supplemental declaration  
19 in support of the Motion for Order 1) Determining That Certain Proceeds and Other Funds May  
20 be Used for Monthly Payments to HomeStreet Bank; 2) Setting Hearing Date on Sale of  
21 Easement Rights to Puget Sound Energy; and 3) Extending the 90 Day Period Under 11 U.S.C.  
22 §362(d)(3) for Cause [Dkt. #103].

23                   2. Attached hereto as Exhibit A is a true and correct copy of the Agreement  
24 to Grant Easement (the "Agreement") with Puget Sound Energy ("PSE") for the purchase of a 50  
25 foot easement running along a northerly portion of the land owned by Cascadia for the purchase  
26 price of \$548,750. I have been in charge of negotiating the Agreement. I believe that the

1 purchase is beneficial to the debtor and its creditors, including HomeStreet Bank, in a number of  
2 ways, including

- 3           • The purchase price is fair, and is higher than it might otherwise be because  
4           of the key location of the property which will be subject to the easement.  
5           • The power lines to be placed on the easement will provide electrical  
6           power, and access to this power will be needed for the Debtor (and the  
7           Cascadia Resort Communities LLC) to fully develop their properties in  
8           accordance with the master plan.

9           3. It is my understanding that PSE will be using money from its 2009 budget  
10          allocated to purchase the easement, but that if the sale does not close in January 2010, that  
11          funding will be lost, with no money provided in the PSE budget for 2010 for the easement  
12          acquisition.

13           4. The proceeds of sale of the easement will be sufficient to make monthly  
14          payments for January and February 2010 to HomeStreet Bank of approximately \$250,000 each,  
15          calculated at the non-default interest rate on the notes signed by Debtor in favor of HomeStreet  
16          Bank.

17           5. Attached hereto as Exhibit B is a true and correct copy of a letter from Dr.  
18          Gilbert A. Mendoza, Superintendent for the Sumner School District (the "District"), regarding  
19          the status of the District's due diligence and continued interest in the proposed school site.

20           Pursuant to 28 U.S.C. §1746, I declare on penalty of perjury under the laws of the  
21          United States of America that the foregoing is true and correct.

22           SIGNED this 17th day of December, 2009, at Bellevue, Washington.

24           \_\_\_\_\_  
25           \_\_\_\_\_  
26           \_\_\_\_\_  
                  */s/ John Ladenburg*  
                  John Ladenburg  
                  Chief Operating Officer